



PROJECT COMPLETION REPORT

(June, 2012 to December, 2013)

Project Title:	Project Completion Report of the ITTO Project: Strengthening market information systems to enhance trade and market intelligence in the forest sector of Guyana, TMT-PD 006/11.
Project Number:	TMT-PD 006/11
Host Government	Government of Guyana
Executing Agency	Guyana Forestry Commission (GFC)

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LIST OF ABBREVIATIONS AND ACRONYMS

FPA	–	Forest Products Association
FPDMC	–	Forest Products Development and Marketing Council
GFC	–	Guyana Forestry Commission
GMSA	–	Guyana Manufacturers and Services Association
GoG	–	Government of Guyana
ITTO	–	International Tropical Timber Organization
LUS	–	Lesser-Used Species
SFM	–	Sustainable Forest Management
TMT	–	Trade and Market Transparency

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EXECUTIVE SUMMARY

Guyana earns around US\$40 million from forest exports, mainly from the export of logs, sawn wood, plywood, piles, shingles (split wood), doors and window frames. The main markets for these products are the EU, Asia, Caribbean, the Middle East and South and North America. However, the tropical timber markets has undergone structural changes and is operating in a much more competitive environment which necessitates strong marketing efforts to attract and retain lucrative markets. A fundamental problem identified for Guyana's timber sector is an insufficient market information system and limited capacity to promote trade in these markets.

One of the main reasons for this is lack of market research among producers is in most instances these enterprises have been operating on a "*produce to sell*" system with no contractual arrangements, commitments or networking to ensure the best prices and more reliable supplies to the local lumber market is available.

Other factors that have been identified as being a deterrent to Guyana's producers being able to market its products in international markets are: their inability to meet the requirements for environmental, sustainability and social certification, which allows their products to be standardize and recognize worldwide; International regulations and policies stipulating assurance of legality such as the US Lacey Act and the EU FLEGT; and having their products properly graded, kiln dried and dressed to the highest grade and quality to meet the demands of both the local and International markets.

To address the identified problems of an insufficient market information system and limited capacity to promote trade in forest and forest products, this project was conceptualize with a development objective to promote trade in tropical timber and timber products from Guyana and a specific objective to develop and integrate market information system to enhance market transparency and market access by 2012.

A participatory approach through workshops and discussion sessions was adopted during project implementation and this helped to: raise awareness, change perceptions, analyze problems, and identify socioeconomic priorities for the sector; and explain to stakeholders about the importance of data collection, analysis and dissemination of market/trade information in the development of an internationally competitive forest sector.

The forestry sector of Guyana now has an integrated market information system in place with more detailed reporting capabilities on prices, market demand, export trends, and quality requirements for different regions, which can enhance forecasting in prices levels and demand; and provide a more integrated reporting on the wood products supply chain.

The availability of trade and market information means that the sector can now adopted a more thorough and rational approach to trade and marketing issues based on improved knowledge and capacity. Stakeholders/Exporters/Producers/Buyers are now better able to conduct their business resulting in a stronger business and financial position, and enhanced planning capability.

There is now better planning and allocation of state forest resources; more strategic marketing efforts in pursuit of expansion of key markets for added value products; macro economic benefits through improved planning and strategic decision in relation to employment, and increased export earnings. Several strategic areas of the sector: marketing, forest management and planning, and resources allocation, have been receiving positive impact from this project activities.

This market information system will be maintained as part of GFC's work programme within its MIS department, and the GFC will collaborate with the Forest Product Development and Marketing Council to produce reports/information/documents with marketing and trade information for all stakeholders.

These activities/outputs and results of this project is considered to very timely, because the producers of forest products in Guyana for the last 3 years were experiencing some difficulty to profitably market their products both locally and internationally because of substitutes on the local market and regulatory changes to importing requirement in some of its more attractive external markets. However, the sector was able to maintain its export value of around US\$ 40M, with a small reduction in volume.

The stakeholders of the sector whom would have participated in the activities are now better informed about the potential impact that international requirements for export of tropical timber – specifically Lacey Act and EUFLEGT, and how they can use the information generated to improve their planning, competitiveness and profitability of their business and hence the realization of increased contribution from the forestry sector to Guyana's development.

From the results of the research it can be established that there are many untapped avenue for development and diversification of Guyana's timber trade and Guyana's timber industry maintains a great potential for growth with the right level of reform and support from both the public and private sector.

Entering into bilateral agreements to foster trade development for the forestry sector is an important aspect in encouraging growth within the sector however; international trade instruments have varying degrees of discriminatory effect towards developing country trade. The increased focus on environmental concerns and issues make it necessary for Guyana to develop a strategic marketing plan on the way forward.

It is also necessary for Guyana to diversify its product base and to address internal bottlenecks in order to ensure that the industry or sector is at a level it can compete on the global market. Sector involvement with respect to international trade commitments is also critical in successfully accessing key markets.

The activities and outputs of this project have identified the need for improvement in the sector's marketing capabilities so that a wider range of species may be utilized. Producers should also focus on having their products properly graded and kiln dried since; both the local and International markets are demanding dressed lumber of the highest grade and quality. The emphasis on value added products should also be a focal interest since it is very lucrative and offers diversity in products.

Concessioners should not only rely on FPDMC alone to provide information on market trends but rather should investigate for themselves; the needs of the market. Information on the market is crucial since it provides data that can be used to project profits. Once these measures are properly put in place, Guyana would witness increases in Production and Exports.

1. PROJECT IDENTIFICATION

1.1 Context

Guyana, the only English speaking country in South America, is located on the Atlantic seaboard of north-eastern South America. It extends 800 km south from latitude 8° N on the Atlantic coast to latitude 1° N, and some 480 km east to west between longitudes 57° and 61° W. It has an area of about 215,000 km² and a population of approximately 750,000.

Tropical high forests cover some 16.4 million ha or about 76% of the total land area, of which about 13.6 million ha (63% of the land area) is administered by the Guyana Forestry Commission (GFC). Guyana's commercial forests are characterised by high species diversity and the main commercial species have a low standing volume per unit area which results in low volume extraction per unit area

Access for commercial timber removal on State Forests is controlled by the GFC through the allocation of temporary concessions and permits in the form of:

- Timber Sales Agreement (TSA) - covers concessions of more than 24,000 hectares and is allocated for a period of more than 20 years.
- Wood Cutting License (WCL) - is issued for 3 to 10 years, and covers forests area of between 8,000 and 24,000 hectares.
- State Forest Permissions (SFP) are given for two years and cover areas of less than 8,000 hectares. SFPs are generally issued to individual small-scale operators and community-based associations.
- State Forest Exploratory Permits (SFEPs), which are issued for survey and feasibility purposes only and do not include cutting rights.

From an environmental perspective, the forests in Guyana is largely intact, with only about half of the 12.9 million of the State Forest Estate being allocated for commercial sustainable production purposes. A recently completed national level assessment of deforestation and forest degradation in Guyana concluded that the average rate of deforestation is between 0.03% to 0.06%. This confirms that Guyana is a high forest cover, low deforestation rate country.

In addition to State Forests, a portion of the national forests are under titled Amerindian lands. Land titles were issued to Amerindians in 1976 onwards and currently approximately 13% of the total land area of the country is under titled Amerindian land (an estimated 1.4m million ha of which is covered by forest).

This project is expected to impact on the social aspects of indigenous and non indigenous communities as community forestry is now significant within the forest sector of Guyana. At the commencement of this project, there were 54 community organisations that were issued approximately 300,000 hectares of State Forest and that employed close to 2,000 persons. Access to essential market related information on forest products trade will provided to these entities a much improved opportunities for forward planning of marketing efforts, and assist these enterprises to grow and develop along a sustainable path. This project thus, directly supports this thematic area of community forestry development.

From a cultural perspective, forestry and forest production has historically, and continues to be a significant part of the way of life of communities and rural livelihoods. The forests have been used for both subsistence and commercial purposes and this has continued over the years. Forestry and marketing of forest products therefore are integrally related to the livelihoods and culture of both indigenous and non indigenous communities in rural Guyana.

From an economic perspective, the forest sector continues to be a key commercial sector in Guyana and this is reflected in an average employment level of 20,000 persons, and a contribution to Gross Domestic Product of 3% to 4% by primary products and an estimated contribution of between 5% to 8% including manufactured wood products.

Applicable forestry legislation recently passed by Guyana's Parliament emphasizes the importance of the forestry sector and addresses, inter alia, conservation and protection, and sustainable utilization of the forest estate and Amerindian land rights. The following are identified as supporting the need for this project:

- a) The **National Forest Policy Statement** and the **National Forest Plan** specifically identifies the development of information systems to support the development of the forest sector.
- b) The **National Development Strategy** (1996) makes a strong case for information to be provided in an efficient and effective way to facilitate monitoring forest resources to ensure that the policies and procedures of the GFC in relation to sustainable forest management and law compliance are adhered to.
- c) The **National Competitiveness Strategy** of Guyana also emphasizes the importance of integrated and strengthened information systems for market and trade and to develop these in such a way to allow for the competitiveness of the forest sector to be improved as a result.

The Project also complements more recent Policies, Laws and Strategic Initiatives that are being undertaken in Guyana. Among these are:

- **Forest Act 2009:** this recently passed forest legislation emphasized the need for accurate, timely, appropriate, relevant and strategic information to be generated by the GFC.
- **Guyana Legality Assurance System (March 2011):** this framework provides legality verification for timber being produced and exported and requires for an intergraded data management system to be created.
- **Exploratory dialogue on a Voluntary Partnership Agreement (VPA) under the European Union Forest Law Enforcement Governance and Trade Programme.**
- **Guyana's Low Carbon Development Strategy (June 2010):** this Strategy presents Guyana's approach to attain a low carbon growth path. Among the prerequisites that are mentioned in this Strategy to address this, is strong information based on all aspects of forestry, including on marketing and the value added industry.

This project will complement the efforts in strengthening marketing and trade in forest products that have been undertaken by the Government, through the establishment of the Forest Products Development and Marketing Council, which establishes the institutional framework for the market development and support.

The central problem for Guyana is an insufficient market information system and limited capacity to promote trade in these markets. The specific project objective is to improve information systems, and capacity to promote trade and especially to develop an integrated market and trade information system that will benefit the regulatory agency and those directly or indirectly involved in the production, processing or trade of timber.

1.2 Origin and problem

Tropical timber trade in logs, sawn wood and plywood/veneer generates significant income and employment but international tropical timber markets are undergoing dynamic structural changes. Emerging out of the global economic crisis, the tropical timber trade is a much more competitive environment which necessitates strong marketing efforts to attract and retain lucrative markets for tropical timber products. Owing to this rigour and uniqueness of targeting and retaining niche markets, currently the emphasis in most cases, centre in competing in commodity markets. The central problem for Guyana is an insufficient market information system and limited capacity to promote trade in these markets.

Earlier activities that have been conducted have centered on creating a basic information framework for the main stages of forest activity. Work has centered largely on the forest producing and harvesting aspects with data being recorded on levels of harvest, annual allowable cut/quota, recovery volume, etc; and at a more basic level in the processing stage such as licences issued based on location and type of operation; at the export and marketing stages, this has largely centered on post transaction recording in that, the information system to date largely records details on timber exports. This has remained disaggregated and has not systematically linked through the supply chain and further has not been fully effective in strategic decision making and forward planning. These essential challenges aware also flagged by other analytical work.

The idea of this project was informed by a number of expert assessments conducted on the forest sector of Guyana. Of the more recent studies have been the ITTO Diagnostic Mission 2001 conducted in Guyana in which, among the main conclusions was, the need for strengthened capacity in marketing and information system to allow for further development of the forest sector. The Mission concluded that the rapid growth can be advanced if a more capacity is built at strategic level of the market information system.

Additionally, the work of the GFC to date has concluded that many opportunities exist in the international market for Guyana's forest products but these opportunities go untapped since the information gap existing within the forest sector leads to lack of knowledge of these opportunities. The main causes are existing gaps in market intelligence, weak forest sector information system, unreliable demand and supply projections, limited specialized skills, and overall weak capacity. This has led to a loss of market share, with the following consequences: reduced benefits to stakeholders, constraints in terms of promoting SFM in timber production, and an overall reduced competitiveness of the sector.

Further, the work of existing agencies within the forest sector such as the Forest Products Development and Marketing Council is at a stage where a coordinated information system will allow for these to enhance the efforts in market and trade advisory support services that are being offered to local as well as international stakeholders.

Addressing gaps in market intelligence, weak market information system, and constraints in market access, will assist in alleviating the key problem of inadequate market information and capacity to promote trade and it is envisaged that as the forest sector will be better able to plan and forecast, make market decisions in a more informed way, and overall competitiveness will improve.

These identified needs have stimulated the origin of this project.

2. PROJECT OBJECTIVES AND IMPLEMENTATION STRATEGY

2.1 Rationale

The ITTO Thematic Programme on Trade and Market Transparency (TMT) recognizes that the tropical timber trade in logs, sawnwood and plywood/veneer generates significant income and employment. The export revenue to ITTO producing member countries is about USD 11.2 billion complemented by exports of about USD 10.8 billion of Secondary Processed Wood Products. While the exports of the latter have been growing and there has been some expansion in tropical sawnwood exports in the recent years, tropical plywood from the ITTO producing countries has lost its market share and the export volume has been declining. Trade flows have also changed due to the rapidly increasing demand for timber and timber products in China, the Gulf States and many other emerging markets in Asia and Latin America. At the same time, China has emerged as a major in-transit producer/exporter of plywood and SPWPs, largely based on imported raw materials from the tropical countries, Russia and other sources.

International tropical timber markets are undergoing dynamic structural changes in the face of changing global demand patterns and emerging market requirements, including those for supplies from legal and sustainably managed forests.

The market requirements for timber and timber products are constantly changing. Technical, health and sanitary standards and product specifications in major import markets are evolving influencing access to markets by tropical timber producers. Public and private timber procurement policies and emerging regulations are developed to transform the markets towards promoting demand and supply of timber and timber products. These new requirements represent a major challenge for tropical timber exporters impacting their competitiveness. While tariff barriers have declined in developed countries, there still remains a degree of tariff escalation. This is further compounded by trade between developing countries in which both tariff rates and escalation represent a key barrier to the development of intra-regional trade. Non-tariff barriers continue to be significant for tropical timber trade in major import markets⁷. These barriers can rapidly affect market access for tropical timber.

Tropical timber exports are under a strong competitive pressure from temperate timbers and other materials which can be used for the same purposes. In some markets there are stakeholder and consumer concerns about the environmental acceptability of all types of wood-based products, in particular tropical timber. There is a need to improve communication on the environmental credentials of tropical timber and its sustainable production.

2.2 Project Objectives

To address the problem of an insufficient market information system and limited capacity to promote trade in forest and forest products in Guyana, this project was conceptualized with the following objectives.

Development objective: Promote trade in tropical timber and timber products from Guyana

Specific objective: Develop and integrate market information system to enhance market transparency and market access by 2012.

2.3 Implementation approaches and methods

The project worked collaboratively with all stakeholders directly or indirectly whom would have had an interest in the trade of timber from Guyana.

Using a participatory approach, it helped interested groups through workshops and awareness sessions to participate in the development of protocols for data collection, analysis and dissemination of information on the forest sector and trade.

The development of processes to mobilize and train beneficiaries took into account the needs of primary stakeholders in particular and helped to raise awareness, change perceptions, analyze problems, and identify socioeconomic priorities.

More specifically, the project employed the following approaches/methods:

- *Diagnostic Assessment:* The Project undertook a two phased approach to analysing the current situation. This was done by interviewing relevant stakeholders and by reviewing the current system (desk based technical review incorporating international and regional experiences, along with local lessons learned).
- *Stakeholder Input:* The existing mechanism of technical committee at the level of the Forest Products Development and Marketing Council was used to source grouped contributions. At the level of the Council, the main industry bodies are represented.
- *Identifying Stakeholder Recommendations:* A review of the existing constraints in the information system was documented and recommendations were drawn from identified needs that stakeholders pinpoint, for the new system.
- *Training:* Training sessions involved stakeholder's participation and targeted main groups such as the Forest Products Development and Marketing Council and key industry operatives.
- *Data Collection and Management:* Separate specialised training sessions were held for data collection and management at operations such as sawmills and lumberyards.
- *Communication and Feedback:* Reports and communication mechanisms developed under this project were disseminated directly to stakeholders, and through the GFC's offices countrywide.

2.4 Assumptions and risks

The following assumptions (with risk mitigation) that were identified as risks that can affect the outcomes of this project are:

- Risk:** There is instability in the local currency that will negatively affect the export market for timber products.
Assumption: Continued stability of GY\$ (historically the GY\$ has shown stability against major currencies).
Mitigation Measure: Inclusion of potential currency fluctuations in market analysis and competitiveness studies.
- Risk:** Industry is opposed to supplying needed information for market information system.
Assumption: Industry uptakes the marketing information available and makes use of it (continual liaison and engagement with the industry during the project with increases chances of uptake and use).
Mitigation Measure: Involvement of stakeholder groups from the initial stages so that they get to inform the structure of the new system to make it a realistic one that they can comply with.
- Risk:** There is a paucity of market data and where available data cannot be accessed owing to various constraints.
Assumption: Market data is readily available (market data is generally available; GFC and the GoG will support efforts at obtaining data).
Mitigation Measure: Alternative options for each data source identified so that available and accessible options are targeted.
- Risk:** The products generated from the Project are not used by stakeholders.
Assumption: Forest sector recognizes the importance of information and utilizes the system (trade information is recognised as important in a competitive market and use of information system is anticipated).

Mitigation Measure: inclusion of stakeholder in designing the structure of the new system to influence the deliverables that will be generated and in so doing ensuring that their main requirements are met and the system is usable after project completion.

- v. **Risk:** There is a decline in demand for Guyana's timber products.

Assumption: Demand for tropical timber from new markets (new national markets and niche markets for new species and products have increased in recent years and are expected to continue do so).

Mitigation Measure: Guyana's continues its marketing efforts regionally and internationally in an effort to continuously promote its wood products and timber trade.

3. PROJECT PERFORMANCE

On completion of this project, the following have been achieved in relation to the specific objective, planned outputs and related activities. No adjustment was made during the implementation of project activities and all outputs and activities were satisfactorily complete. The accomplishments in relation to planned elements of the project are:

3.1 Specific Objective Achieved

Develop and integrate market information system to enhance market transparency and market access by 2012.

Guyana's most up to date market report indicates that the main wood products the country exports are logs, sawn wood, plywood, piles, shingles (split wood), doors and window frames. The main markets for these products are the EU, Asia, Caribbean, the Middle East and South and North America.

Traditionally, the Caribbean region and the Asia/Pacific markets have been the main export destinations for Guyana's wood products however, in recent years, the EU market is becoming an important steady and stable destination for Guyana's forest products, albeit a niche market for some of Guyana's forest products' exports.

The GFC, the Forest Products Development and Marketing Council and the Forest Products Association are also working collaboratively to develop and promote Guyana's lesser used species. They are using the domestic market as a starting point and there is opportunity for the country to build on the success it has achieved so far in the Caribbean, Asia, the Middle East, EU and North America, to further increase market access for its wood products.

The results of the planned activities and outputs of the project were very effective in satisfying the specific objective as set in the project document, and also successful in being able to create awareness on the critical importance of planned/effective marketing in the development of a competitive forestry/wood processing sector.

3.2 Outputs and activities

Output 1: Improved market data collection and integration of information system components

Activities for this output were covered under the contract awarded to the International Marketing Specialist.

Activity 1.1: Conduct one diagnostic study on critical specific data gaps related to production, markets and trade

The consultant was able to meet with the following stakeholders' cluster groups:

- GFC Board of Directors,
- GFC Management and Staff from the FPDMC,
- Members from the FPA and GM&SA, and
- General stakeholders at 5 locations of Corriverton, New Amsterdam, Georgetown, Parika and Anna Regina.

to discussed and gather information and data on production, marketing and trade.

The diagnostic study was completed covering the following main areas and a report was completed titled "**Critical Data Gaps related to production, market and trade**". The following subject matter is covered in this report.

- Data gaps related to production and products
- Data currently collected and published by Guyana Forestry Commission (GFC)
 - Market Information and Market Intelligence Information
- Data gaps related to trade and markets
 - Market information and intelligence information for Guyana’s domestic wood products market
 - Market information and intelligence information about international markets
 - Market information and market intelligence information on competitor countries
- Sources of market information/market intelligence information
- Data collection methods

Activity 1.2: Develop improved data collection methods.

This activity was informed by a Diagnostic Study on Critical Specific Data Gaps related to production, markets and trade.

Based on the results of the diagnostic study and in close collaboration with the Forest Products Developing and Marketing Council, a framework was developed as well as a methodology for strengthening data collection efforts. This builds on the existing system which is available and improves on areas where there were evident data gaps and inefficiencies in data process and management time.

A report was completed titled “**Framework and Methodologies developed for strengthening Data collection methods**”. The following subject matter is covered in this report.

- Main Source Document: Commercial Invoice used for Export
- Accessing the Database.
- Managing Invoice Headers
- Adding an Invoice Header
- Managing Invoice Items
- Adding an Invoice Item
- Managing Reports
- Types of Reports
- Creating Reports
- Creating Reports using Other Search Criteria

Output 2: Forest sector and market information system in place and operational

Activities in relation to this output were focused on the development of a market information system and were covered under a contract awarded to the National System Specialist. Activity 2.4 was undertaken by the International Marketing Specialist.

Activity 2.1: Develop protocols and database for operation of integrated information system.

This activity was focused on the development and testing of an integrated trade and markets information system in collaboration with stakeholders and the Forest Products Developing and Marketing Council.

The protocols and database to inform the integrated market information system were developed and tested.

Activity 2.2: Training of at least 30 persons to operate information systems and related component.

Five (5) training workshops were conducted and 36 persons trained on the protocols and database of the market information system. Areas covered in the training are:

Activity 2.3: Develop protocols and capacity for improved dissemination of data

With the market information system being functional, protocols were developed for the most effective use of the system and for more general dissemination of information on markets and trade.

The protocols for improved data dissemination are presently being implemented.

Activity 2.4: Conduct a diagnostic report on factors affecting markets and measures impacting tropical timber use

This study conducted by the International Marketing Consultant looked to expand the data on trade and markets specifically looking at markets from an end-product perspective and the potential gaps in the market and niche areas.

A report titled, “**Assessment of the factors affecting the timber markets and measures impacting tropical timber uses in Guyana**” was produced. This Report covered the following main areas:

- Transport and Shipping Cost
- Diversification in Species
- The emerging demand for Lesser utilised species on the International markets
- Cost of Production
- Information on market trends
- The new emphasis on value added timber products and FSC Certification
- International Trade Laws & Policies

Output 3: Enhanced market access and competitiveness of Guyana timber in five markets by end of 2012.

Activities 3.1 and 3.2 for this output were covered under the contract awarded to the International Marketing Specialist and the following were achieved. Activity 3.3 in relation to conducting a review market framework for trade development in Guyana was conducted under a contract awarded to a Trade specialist.

Activity 3.1: Conduct one technical study and one market survey on factors related to competitiveness such as chain of custody, demand and supply, niche markets and other producers

This study conducted by the International Marketing Consultant was an extension to the study conducted in activity 1.1 which focused specifically on questions of competitiveness and the various aspects of the sector and production chain that it affects.

A report titled, “**Factors affecting the competitiveness of tropical timber – A policy paper prepared for GFC**” was produced covering the following main areas:

- **Environmental factors impacting on the competitiveness of tropical timber**
 - **Sustainable forest management**

- Forest management certification and chain of custody certification
- Origins of forest management certification
- The state of global forest certification
- FSC and PEFC certification programmes
- ***Other SFM initiatives and mechanisms and how they impact on the competitiveness of tropical timber***
 - Forests Law Enforcement and Governance and Trade (FLEGT) initiatives
 - Public sector procurement policies
 - Consumer country legislation designed to remove illegal wood from trade
 - Green building initiatives to reduce the energy footprint and carbon dioxide emissions
 - Timber procurement policies of other major markets
 - REDD initiatives and carbon markets
 - Substitutes and alternative species
 - Licensed timber and timber products under FLEGT and CITES
 - Quality assurance and Occupational Health and Safety
- **Initiatives by tropical timber producers to maintain competitiveness**
 - Guyana’s main competitors
 - The Asia-Pacific Region
 - Africa
 - Latin, Central and South America
- **Implications for the Guyana wood processing sector**

Activity 3.2: Develop a country-level marketing strategy

Stakeholder engagement sessions both at the commencement of this activity and review of the draft strategy were held to ensure that there is effective stakeholder input into the development of this country level marketing strategy. Additional information that would have been gathered from earlier activities was also incorporated to ensure that the country-level marketing strategy that was being developed for the different players in the sector, both public and private met their expectation.

A report titled, “**Marketing Strategy for Guyana’s Wood Products**” was produced covering the following main areas:

- **CHAPTER 1**
 - Summary of the outcomes of industry consultation
 - Objective of the strategy
 - The structure of the industry.
- **CHAPTER TWO**
 - SWOT analysis of the industry
- **CHAPTER THREE**
 - Issues impacting on increase value adding and new products
- **CHAPTER FOUR**

- Strategies to address some of the constraints to increased value adding
- **CHAPTER FIVE**
- Strategies for enhancing promotion in the domestic market
- **CHAPTER SIX**
- Strategies for enhancing promotion in the international market
- **CHAPTER SEVEN**
- Funding options
 - Increase the FOB tax on logs exported
 - Put an export tax on green and air dried sawn lumber
 - Impose a duty on all imported wood products

Activity 3.3: Review market framework for trade development in Guyana

This activity, conducted by the Trade Specialist was focused on a review of the legislative, policy and regulatory framework surrounding trade and markets in timber, and identification of recommendation for improvements and changes to support trade of forest products in Guyana.

A report titled, “**Review of Market Framework for Trade Development in Guyana**” was produced covering the following main areas:

- **State of the forestry sector**
 - Policy and legislation
 - International commitments
- **Objective**
- **Methodology**
- **Overview of the Forestry Sector in Guyana**
 - The Domestic Timber Market
 - Exports and trade of timber and timber products from Guyana
- **Trade Barriers and Incentives to Trade**
 - Existing gaps in the forestry sector
 - Obstacles/impediments to efforts made to expand trade
- **Recommendations**

This project was implemented in accordance with planned timelines, and within the budget as detailed in the project document. All the activities were completed within the timeframe and outputs as detailed in project document satisfactorily completed. No corrective action or change of schedule was needed to complete all the activities and achieve the outputs. The Project was completed as per planned schedule.

4. PROJECT OUTCOME, TARGET BENEFICIARIES INVOLVEMENT

4.1 Achievement of Objectives

The satisfactory achievement of the specific objective through the outputs and activities of this project have contributed significantly to the realization of the development objective, that of “Promote trade in tropical timber and timber products from Guyana”. This was facilitated through the availability and circulation of market Information to stakeholders on prices, market demand, products and species being fulfilled for potential markets, and identification/availability of market requirements for potential new market.

The three main Outputs that of: Improved market data collection and integration of information system; forest sector and market information system in place and operational; and enhanced market access and competitiveness of Guyana timber; produced an enhanced and integrated forest sector marketing and trade information system, consisting of improved collection and analysis of data on trade and markets, and greater access to information by stakeholders.

The immediate beneficiaries were the Guyana Forestry Commission and Forest Product Development and Marketing Council whom will be better able to inform Government on strategies trade issues in relation to forest products.

The project also develops protocols and mechanisms, and provided training for the collection and dissemination of data/information. This allows for stakeholders whom are directly or indirectly involved in the production, processing or trade of timber to benefit in real economic terms. Ultimately, through greater foreign exchange and domestic earnings the benefits will filter to the wider population of Guyana through increased revenue, employment opportunities and service provision.

The activities of this project have also created an atmosphere where stakeholders of the sector have a better appreciation of the value of market and trade information in relation to competitiveness and profitability of the sector.

4.2 Situation existing at project completion

The forestry sector of Guyana now has an integrated market information system in place which can be accessed by the public and private sector to obtain market and trade data and analysis in relation to forest products. This system will be constantly updated by persons within GFC whom have been trained in the operation of the system and protocols for persons to access the information.

The availability of trade and market information means that the sector can now adopted a more thorough and rational approach to trade issues and marketing based on improved knowledge and capacity. Stakeholders/Exporters/Producers/Buyers are now better able to conduct their business resulting in a stronger business and financial position, and enhanced planning capability.

This improvement in statistics and the enhanced information being made available provides the opportunity for more confident actions to be taken to bring about benefits to the stakeholders of forest sector and Guyana as a whole. Their involvement at all stages during the implementation of project activities, means that they acquired a sense of ownership of the outcomes and hence are very receptive to the recommendations that were being promoted

There is now better planning and allocation of state forest resources; more strategic marketing efforts in pursuit of expansion of key markets for added value products; macro economic benefits through improved planning and strategic decision in relation to employment, and increased export earnings. Several strategic areas of the sector: marketing, forest management and planning, and resources allocation, have receiving positive impact from this project activities.

The improved market information system has produced changes in the following main areas: more detailed reporting capabilities on prices, market demand, export trends, and quality requirements for different regions; enhancement in forecasting capabilities in prices levels and demand; and more integrated reporting on the wood products supply chain. This Project has established the mechanism to facilitate the integration of timber products throughout the supply chain.

The project will benefited primary, secondary and tertiary stakeholders and is expected to have a greater impact on the country as a whole, for the issues of trade and market awareness which is detailed in the National Forest Policy would have been addressed.

The gaps in trade/market information system that were identified for specific agencies/stakeholder's group have been addressed through activities and outputs from this project. These are as follows:

- Guyana Forestry Commission: Capacity and mechanism for the coordination of information/data gathering for a more integrated system to generate market reports that are required increasingly by the local forest sector and also international partners are in place. The GFC will now be able to

have and analyse market information through the supply chain covering production levels, export by product information, level of processing and conversion.

- Forest Producers Association: This agency will now have access to detailed reports on markets trends, requirements, quality demands, price levels, etc. to make business decisions that will affect their company competitiveness and profitability. Information on production levels and export information will help its membership to develop forecasting capabilities and plan more effectively
- Forest Products Development and Marketing Council: this agency will have developed its capability and be better able to provide thorough and comprehensive market advisory service to stakeholders. The Council having at its disposal a fully integrated market reporting system will be able to plan and advise the forest sector at a national scale, as well as at a company level, on the overall trends that prevail in the international and regional markets relating to: products, species, prices, quality, drying status, etc.

4.3 Sustainability

The project has established the technical capacity (hardware, software and human resource) for operations and it is within the mandate of GFC to maintain this market/trade information system.

Four full time persons were trained and assigned on a permanent basis to the dedicated data management unit (which is part of the GFC's Management Information System Unit. These persons have been tasked with continuing the data collection, management and report generation under the new system. The GFC is also committed to providing continued and sustained finance for the continuation of activities of this project, as part of its Annual Work programme and budget. These will include staff cost, office space, and resources such as computers and other consumables.

At the institutional level, to ensure the sustainability, the GFC collaborating with the Forest Products Development and Marketing Council to share information, establish a network and the communication mechanism for the dissemination of data to the forest sector via the Marketing Council. The marketing information that were generated as deliverables of this project will continue to be made available to stakeholders.

By involving stakeholders in the deliberations during the implementation of the activities, they were introduced to importance of market information and indicated a keen interest in being able to have this information available when making their decisions. There is all indications that will want access and be will to support financially.

A market information system, providing access to market and trade data, analysis and reports is seen by all stakeholders as beneficial for both the public and private sector of the forestry sector in Guyana.

5. ASSESSMENT AND ANALYSIS

5.1 Project Design and Organisation

This project under ITTO's thematic programme on Trade and market Transparency (TMT) was found to have been appropriately identified from the project proposal conceptualisation stage highlighting the problem of constantly changing market requirements for timber and timber products and formulating a strategy to address them. The project's outputs and activities were well defined and they were effective in addressing the problem.

The conceptual foundation of the project was well thought out and found to be adequate for addressing the project rationale, perception of both internal and external influences and risks which were identified during the project formulation stage and appropriately documented in the logical framework matrix. The roles and responsibilities of the executing agency, technical committee, consultants and other stakeholders were adequately and appropriately defined and this lent to the smooth execution of the project.

There was effective participation and inclusion of beneficiaries in the project implementation and this led to the success of the project and also facilitated more trust within the stakeholders group lending to greater understanding and agreement, with the expectation of more support in the implementation of established national policies and practices. These groups included both the representatives from Forest Products Association and Forest Products Development and Marketing Council, as well as other representative from the Government.

The planned time line of the project was adequate for project execution.

5.2 Project Implementation

The Project was implemented within planned budget and within time frame of 18 months. The outputs and activities as planned were also achieved across the three (3) identified outputs. The assumptions made were appropriate and risks identified were adequately mitigated.

The risk and assumptions that were associated with the Developmental objective did not impacted on project execution and success because the Guyana dollar remained quite stable throughout the period of execution similarly, the legality and trade requirements for importing countries were met by exporters. However, Guyana during this period has commenced the process of addressing and meeting the requirement of the EU FLEGT programme. The export value for Guyana's forest products was maintained at around US\$ 40M mainly because of the negative effect of the world financial crisis.

The risk and assumptions associated with the Specific objective have only been partially satisfied because although the Marketing Council and GFC would have acquired the capacity and is implementing the marketing information system and providing marketing/trade information to the industry however, there have only been a limited amount of request for the information. Because this system has only recently been established, it is envisaged that the demand for service will increase with time, especially as it relates to export of value added products and to importing countries with stringent regulations requiring some sort of certification for entry of products.

The assumptions and risks that were addressed during the activities and realization of Outputs are:

- Specialized skills acquired to develop system: Personnel from GFC and the Marketing Council were trained to operate and maintain the system, and provide trade and market information/reports on request. The Marketing Information system is now operational.
- Stakeholders are responsive to providing new information where needed: Stakeholders are more aware of what information is required to enable this system to provide pertinent information on

marketing and trade. This additional information has now been incorporated into reporting responsibilities for stakeholders.

- Market data is readily available: Marketing and trade data at international and local level are now readily available, and are being used to put together product of the market information system.
- Forest sector recognizes the importance of information and utilizes the system: Stakeholders of the forestry sector are very much aware of the importance of market information in planning and managing their operations, however utilization of the products of the system is limited however, this is expected to increase with time.
- Demand for tropical timber from new markets: Demand for tropical timber from new markets (new national markets and niche markets for new species and products have increased in recent years and are expected to continue do so). The FPDMC continues its marketing efforts regionally and internationally in an effort to continuously promote Guyana's wood products.
- In country capacity is available to support an increase in trade: From the finding of the studies conducted during this project, it can be concluded that that Guyana has adequate capacity to support an increase in trade in relation to shipping, transport, etc. Capacity is also being developed to address trade in relation to the EU FLEGT and Lacey Act.

5.3 Project Results

At the completion of the project, the three (3) outputs and associated activities of the project would have been satisfactorily accomplished to provide marketing and trade information to stakeholders of the forestry sector.

The forestry sector now has a marketing information system which is being operated by competent staff and can provide information on: production volumes for the various forestry products, export volumes and value, shipping and transport cost, local and international prices, potential new markets and products, import and export requirements and processes, etc.

Six (6) reports and protocols for the operation of the Market Information System have been developed. Five (5) were diagnostic studies focused on identifying gaps and problems in relation to marketing and trade of timber and timber products, and recommend solutions for addressing the gaps and problems. The major output is a Marketing Strategy for the forestry sector, which detailed activities and direction in relation to marketing and trade of timber and timber products for the next 3 years to be pursued by stakeholders of the forestry sector.

These results would have assured the successful fulfilment of the Specific Objective as well as impacting positively on sectoral programmes, the physical and social environment, and the target beneficiaries. Stakeholders of the forestry sector would have benefited by having the foundation on which they can improve their planning, competitiveness and profitability of their business and hence the realization of increased contribution from the forestry sector to Guyana's development.

6. LESSONS LEARNED

6.1 Developmental Lesson

Aspects of project design which most contributed to its success or failure in achieving the Development Objective

There is a clear relationship between this project and three related projects funded by the ITTO (the kiln drying project, the LUS project and the wood processing project) The synergies among these projects will provide greater benefits to the national economy and to sustainable forest management in Guyana.

The Lesser Used Species Project (PD 344/05 Rev.2 (I)) facilitated increasing the overall contribution of the forest sector to the national economy by improving the awareness and use of lesser used species. The project focused on gathering technological information on lesser used species; more promotion of current and potential lesser used species and training in processing techniques of these species.

The Kiln Drying Project (PD 401/06 Rev.2(I)) addressed the problem of Guyana's forestry sector inability to dry wood to the quality standards and specifications required by international markets, by trialing commercial kiln drying of wood in three small scale community sawmilling regions as demonstration of the value adding and quality standards expected by international markets. Through these demonstration projects, small scale community saw millers were able to have a better understanding and learn the quality requirements for exports to international markets.

The Wood Processing project (PD 513/08 Rev.1 (I)) facilitated the development of a guidance document - Code of Practice for sawmills and lumberyards, which provides information on improving the operations and competitiveness of sawmills and lumberyards, and a tool to be used for monitoring the operations by these entities by the GFC. Personnel from sawmills and lumbers were also trained and were able to relate operational practices to specific markets and equipped with a clear understanding of how to use their present technology to increase the recovery of value from processing lumber through the improvement of the quality of products produced. A small scale operation to demonstrate that it is possible for small sawmillers to generate greater value from timber resources was also established within a community forest operation.

The project design element that allowed the development objective to be met is the full integration of operational components of the forestry sector as realized through the outputs (Operating procedures, Competency/skill level of personnel, Easy to use and accessible Technology, Management Policies and Market/trade requirements. This approach allowed for a comprehensive system that will facilitate the developmental objective and support other initiatives that would have been instituted for the development of the sector.

Changes in intersectoral links which affected the project's success

Improved intersectoral linkage has been an important aspect of the project strategy, for there was increased collaboration between members of Forest Producers Associations representing Loggers, Sawmill and Lumberyard Owners and persons involved in value-added production, members of the National Community Forest Council, Exporters and Shippers and Government agencies such as GFC and FPDMC. There was also the general understanding that for the sector to be competitive and contribute more to the development process of Guyana, all the major stakeholders would need to work together to improve the quality of products being produced by the sector, as well as ensuring that the forest resources are utilized in an efficient and sustainable way.

Additional arrangements that could improve cooperation between the relevant parties interested in the project

The involvement of private stakeholders groups in various decision making committees and during the consultation/discussion sessions ensure greater cooperation between stakeholders of the sector. The establishment of the Forest Products Development and Marketing Corporation (FPDMC) was also seen as an avenue that will facilitate greater collaboration and interaction between stakeholders of the sector on matters relating to Marketing and trade of timber and timber products.

A collaborative mechanism where the relevant parties can be involved in overseeing the implementation and making recommendation in relation to the Marketing Strategy will ensure a more competitive and profitable sector.

Factors which will most likely affect project sustainability after completion

The main factors that will affect project sustainability are: there is a reduction in demand for tropical forest products from Guyana because of competition from substitute products or/and producers are unable to produce products that meet market requirements for quality, legality and other concerns of social and environmental impact and sustainability.

6.2 Operational Lessons

Project organization and management

The Guyana Forestry Commission was the sole executing and implementing institution for this project however, a Project Steering Committee was established to oversee the project that includes the following members:

- Guyana Forestry Commission
- International Tropical Timber Organization
- Forest Products Association
- Forest Products Development and Marketing Council

The two key sector agencies: the Forest Products Association, which includes small operators, and the Forest Products Development and Marketing Council contributed to the implementation of this project through their participation in the Technical Committee. Their membership and staff were also involved in discussions and consultation sessions that were held to obtain feedback and test recommendations.

The networking with these two key industry bodies also ensured that project results, findings and deliverables were shared with these bodies before they were approved as final and facilitated their acceptance of the outputs.

Project documentation

The ITTO Web Monitoring tool which this project was reporting through, allowed for routine, systematic and online project documentation inclusive of progress reporting, work plan monitoring, budget assessment and other such areas. The Online system also allow for more systematic tracking of activity progress and which resulted in careful attention being placed toward ensuring that activities remain on track and as planned.

The reports produces as a result of the activities of the project were thoroughly reviewed and discussed with stakeholders from both private and public sectors before they were approved and accepted.

Monitoring and evaluation; Quality of project planning

The project was subjected to monitoring by ITTO representatives and ITTO monitored project outputs (reports etc) during the project. The project was also subjected to GFC monitoring on behalf of the Government of Guyana. One (1) Project Technical Committee meeting was held in the month of November 2013.

Financial and operational progress reports were submitted to GFC management for analysis and approval; after which the GFC will forward them to ITTO. Bi-annual (mid-year and end-of-year) progress reports were prepared and submitted to ITTO at mutually agreed dates and workshop reports, and other similar documents were printed and made available to ITTO and other interested parties as appropriate. This was done to facilitate the national monitoring process and increase interactions with stakeholders and assist in developing and maintaining support for the project. A project completion report was documented and submitted to ITTO.

Definition of the roles and responsibilities of the institutions involved in the project implementation

The implementation agency that was responsible for this project is the Guyana Forestry Commission. The GFC was responsible for all project management functions inclusive of project activity implementation, monitoring of progress and completion of quality outputs, financial management and reporting and in maintaining feedback mechanism with ITTO.

In addition to the GFC, the Forest Products Association (FPA) and the Forest Product Development and Marketing Council were represented on the Project Steering Committee. Their inputs and participation enabled effective activity implementation for the duration of the project.

Actions taken to avoid variations between planned and actual implementation (schedules, cost, etc)

There was no need to take any specific variation action in relation to planned implementation schedule and cost, because all activities/outputs were completed to schedule and cost was maintained within the budget.

External factors that influenced the project implementation and that could have been foreseen

Participation of stakeholders in project consultations and discussions were not to expectation in term of input because of the number of activities that were being organized within the sector around the same time (REDD+, LCDS, EUFLEGT, Lacey Act), and their focus were more on the global financial crisis and how it will affect prices and export markets.

External factors that influenced the project implementation and that could not have been foreseen.

The introduction of new regulations in relation to trade in timber and timber products in some of the primary importing countries for Guyana's timber products, has produced the effect of local producers wanting to move away from these market towards selling more within the Caribbean region and local market. An increase in the construction sector in Guyana facilitated the importation of pine lumber and products that can be substituted for tropical hardwood in the construction sector.

7. CONCLUSIONS AND RECOMMENDATIONS

The project was effectively executed in relation to budget resources allocation and has successfully achieved all required outputs however, for future project of a similar nature; several aspects of can be highlighted to further strengthen the effectiveness and efficiency of project implementation.

Identification:

- The activities and outputs of this project are very timely and will play a very important role in improving the competitive of the sector and its contribution to national development. The Government of Guyana sees the forestry sector as a major player in Guyana's economic development for the future and this is presently being threatened by changes taking place on the international scene in relation to trade and marketing of tropical timber.
- The project design element that allowed for the integration of this project with three related projects (the kiln drying project, the LUS project and Wood processing project) The synergies among these projects will provide greater benefits to the national economy and to sustainable forest management in Guyana
- Guyana's forestry sector is now better prepared to address the influence of sustainable forest management (SFM), legality, climate change, REDD+, certification, substitute products, etc. in relation to marketing and trade of timber products.

Design:

- The project design elements played a major role in the successful implementation of the project within the timeframe and budget allocated. The involvement of the stakeholders in all discussions and workshops was strategic because the information that was shared between the consultants and stakeholders would have benefited both groups. The consultants were able to develop their reports that were easily accepted by stakeholders and stakeholders were updated on the realities of the market and got a better understanding of what needs to be done to be profitable and competitive.
- In terms of specific activity recommendation, it would have been even more beneficial for the stakeholder if they were involved in some additional sessions where they would have been exposed to addressing the changes proposed within these reports to their operations or changing their modus operand from "*produce to sell*" system with no contractual arrangements, commitments or networking, to one of ensuring the best prices and more reliable supplies to the local lumber market is available.

Implementation:

- The project was effectively executed within time and budget, and has successfully fulfilled all required outputs. For future project of a similar nature, several aspects of recommendation can be made to further strengthen the effectiveness and efficiency of project implementation.
- The networking with key sector agencies: the Forest Products Association, the Forest Product Development and Marketing Council and Guyana Manufacturers and Services Association, and outreach to stakeholders, facilitated their involvement through meetings, discussions and consultation ensured that project results, findings and deliverables were shared and in keeping with the inputs of these bodies. This encouraged easy buy-in on completion of the project.

Organization:

- From the research it can be established that there are many untapped avenue for development and diversification of Guyana's timber trade. Entering into bilateral agreements to foster trade development for the forestry sector is an important aspect in encouraging growth within the sector however; International trade instruments have varying degrees of discriminatory effect on developing country trade.
- The increased focus on environmental concerns and issues make it necessary for Guyana to develop a strategic marketing plan on the way forward for trade in timber.
- Guyana's timber industry maintains a great potential for growth with the right level of reform and support from both the public and private sector. It is also necessary for the sector to diversify its product base and to address internal bottlenecks in order to ensure that the industry or sector is at a level where it can compete on the global market. The sector involvement with respect to international trade commitments is also critical in successfully accessing key markets.

Management:

- The Online system allow for more systematic tracking of activity progress and which resulted in careful attention being placed toward ensuring that activities remain on track as planned and disbursement of funds were done in a timely manner.
- The project planning framework allowed for a sharing of experiences with other similar ITTO Projects and offered room for technical support for the Project Technical Committee. This allowed for needed expert guidance to be given to the project activity planning and overall effective monitoring and evaluation.

From the deliberations of project activities and research conducted, it can be concluded that there are factors that needed to be considered at the level of Guyana's forest sector and international tropical timber trade. For Guyana's forestry sector, the following are top priority:

- a) There is a need for an improvement in the sector's marketing capabilities so that a wider range of species may be utilised and producers/traders/exporters should not only rely on FPDMC alone to provide information on market trends but rather should investigate for themselves; the needs of the market. Information on the market is crucial since it provides data that can be used to project profits.
- b) Producers should also focus on having their products properly graded and kiln dried. Since, both the local and International markets are demanding dressed lumber of the highest grade and quality. The emphasis on value added products should also be a focal interest since it is very lucrative. Once these measures are properly put in place, Guyana would witness increases in Production and Exports.
- c) While value adding to produce products that meet international quality and specification requirements are important for the Guyana forestry sector, the number one priority is the ability of the country's exporters to be able to meet the requirements of the EU's timber regulation and the new amendments to the Lacey Act, in order to continue to maintain access to these markets.
- d) In the medium to long term, it would be useful for the industry and the government to develop a comprehensive industry strategy, which outlines clear performance objectives and goals for the industry, as well as a roadmap for achieving them. Such a document, while it can be aspirational and ambitious, must be based on the present and future capabilities of the industry.

The main considerations in relation to international tropical timber trade are:

- a) The key environmental factors impacting on international competitiveness of tropical wood products in the international wood products trade are sustainable forest management initiatives and the related forest management and chain of custody certification, and illegal wood products.
- b) There is still a huge market demand for tropical timber because of its unique properties however; international initiatives aimed at encouraging sustainable forest management are progressively reducing the proportion of tropical timber available to the international timber trade, due to the limited ability of tropical wood products producers to meet the stringent market requirements in the EU and North America for sustainably certified and legally verified timber.
- c) Initiatives to encourage SFM, as well as those to curb illegal timber, will further reduce the availability of tropical timber in the international timber trade as certified tropical forests is the lowest compared with temperate and boreal forests, and this situation is unlikely to change in the short to medium terms.
- d) Markets such as China and India may not continue to be safe havens for uncertified timber given that the industries in these markets depend on export markets in the EU and the US for their re-processed and manufactured wood products, and will therefore be required to meet the requirements of the EU timber regulations and the new amendments to the US Lacey Act.
- e) Concerns about the adverse environmental and social impacts of the harvesting of tropical timber will continue to boost the development of substitute wood products, particularly those from temperate, boreal and plantation forests, and further reduce tropical timber's market share.

Responsible for the Report

Pradeepa Bholanath

**Head – Planning and Development Department
Guyana Forestry Commission**

Date: ____27th February, 2014____

ANNEX 1: PROJECT FINANCIAL STATEMENT

ITTO Contribution

PROJECT FINANCIAL STATEMENT - ITTO						
Project No. TMT - PD 006/11 Rev.3 (M)			Period ending on: 31 December 2013			
Project Title: STRENGTHENING MARKET INFORMATION SYSTEMS TO ENHANCE TRADE AND MARKET INTELLIGENCE IN GUYANA						
Component	Original Amount (A)	Modified Approved Amount (A)	Expenditures To-date			Available Funds (E) { A - D }
			Accrued (B) a/	Expended (C)	Total (D) { B + C }	
I. Funds managed by Executing Agency						
10. Project Personnel						
13 National Consultants						
13.1 National Systems Specialist	\$45,000.00			\$45,000.00	\$45,000.00	\$0.00
13.2 Trade Specialist	\$30,000.00			\$30,000.00	\$30,000.00	\$0.00
14 International Consultant(s)						\$0.00
14.1 International Marketing Consultant	\$55,000.00			\$55,000.00	\$55,000.00	\$0.00
19. Component Total:	\$130,000.00			\$130,000.00	\$130,000.00	\$0.00
30. Travel						
31. Daily Subsistence Allowance						
31.2 International Consultant(s)	\$15,000.00			\$15,000.00	\$15,000.00	\$0.00
32. International Travel						
32.2 International Consultant(s)	\$9,000.00			\$9,000.00	\$9,000.00	\$0.00
33. Local Transport Costs						
33.2 International Consultant(s)	\$10,000.00			\$10,000.00	\$10,000.00	\$0.00
39. Component Total:	\$34,000.00			\$34,000.00	\$34,000.00	\$0.00
40. Capital Items						
44. Capital Equipment						
44.1 Computer Equipment	\$15,000.00			\$15,000.00	\$15,000.00	\$0.00
49. Component Total:	\$15,000.00			\$15,000.00	\$15,000.00	\$0.00
50. Consumable Items						
51. Raw Materials	\$55,000.00			\$54,700.00	\$54,700.00	\$300.00
54 Office Supplies	\$40,000.00			\$39,800.00	\$39,800.00	\$200.00
	\$0.00			\$0.00	\$0.00	\$0.00
59. Component Total:	\$95,000.00			\$94,500.00	\$94,500.00	\$500.00
Sub-Total:	\$274,000.00			\$273,500.00	\$273,500.00	\$500.00
80. Project Monitoring & Administration						b/
81. ITTO Monitoring and Review	\$13,148.00					b/
83. ITTO Programme Support Costs	\$23,772.00					b/
84 ITTO Ex Post Evaluation	\$10,000.00					b/
89. Component Total:	\$46,920.00					b/
90. Refund of Pre-Project Costs (Pre-Project Budget)						b/
Sub-Total:	\$46,920.00		\$0.00	\$0.00	\$0.00	b/
100. GRAND TOTAL:	\$320,920.00		\$0.00	\$273,500.00	\$273,500.00	\$500.00

Note: Budget Components are those detailed in the Project Document.

a/ Accrued expenditure: expenditures committed/accrued as at the end of the reporting date, but not yet settled.

b/ Funds retained and accounted for by ITTO - details not available with Executing Agency.

GFC Contribution

PROJECT FINANCIAL STATEMENT - GFC						
Project No. TMT - PD 006/11 Rev.3 (M)			Period ending on: 31 December 2013			
Project Title: STRENGTHENING MARKET INFORMATION SYSTEMS TO ENHANCE TRADE AND MARKET INTELLIGENCE IN GUYANA						
Component	Original Amount (A)	Modified Approved Amount (A)	Expenditures To-date			Available Funds (E) { A - D }
			Accrued (B) a/	Expended (C)	Total (D) { B + C }	
I. Funds managed by Executing Agency						
10. Project Personnel						
11. National Experts						
11.1 Project Coordinator	\$26,400.00			\$26,400.00	\$26,400.00	\$0.00
19. Component Total:	\$26,400.00			\$26,400.00	\$26,400.00	\$0.00
30. Travel						
33. Local Transport Costs						
33.1 National Expert(s)/Consultant(s)	\$18,500.00			\$18,500.00	\$18,500.00	\$0.00
39. Component Total:	\$18,500.00			\$18,500.00	\$18,500.00	\$0.00
60. Miscellaneous						
62. Audit Costs	\$5,000.00			\$5,000.00	\$5,000.00	\$0.00
69. Component Total:	\$5,000.00			\$5,000.00	\$5,000.00	\$0.00
70. National Management Costs						
71. Executing Agency Management Costs	\$50,000.00			\$50,000.00	\$50,000.00	\$0.00
79. Component Total:	\$50,000.00			\$50,000.00	\$50,000.00	\$0.00
Sub-Total:	\$99,900.00		\$0.00	\$99,900.00	\$99,900.00	\$0.00
100. GRAND TOTAL:	<u>\$99,900.00</u>		\$0.00	\$99,900.00	\$99,900.00	\$0.00
Note: Budget Components are those detailed in the Project Document.						
a/ Accrued expenditure: expenditures committed/accrued as at the end of the reporting date, but not yet settled.						
b/ Funds retained and accounted for by ITTO - details not available with Executing Agency.						

ANNEX 2: PROJECT CASH FLOW STATEMENT

PROJECT CASH FLOW STATEMENT - GFC				
Project No. TMT - PD 006/11 Rev.3 (M)			Period ending on: 31 December 2013	
Project Title: STRENGTHENING MARKET INFORMATION SYSTEMS TO ENHANCE TRADE AND MARKET INTELLIGENCE IN GUYANA				
Component	Reference	Date	Amount	
			in US\$	Local Currency
A. Funds received from GFC:				
1. First instalment		1/6/2012	\$99,900.00	\$20,279,700.00
Total Funds Received:			\$99,900.00	\$20,279,700.00
B. Expenditures by Executing Agency:				
10. Project Personnel				
11. National Experts				
11.1 Project Coordinator			\$26,400.00	\$5,359,200.00
19. Component Total:			\$26,400.00	\$5,359,200.00
30. Travel				
33. Local Transport Costs				
33.1 National Expert(s)/Consultant(s)			\$18,500.00	\$3,755,500.00
39. Component Total:			\$18,500.00	\$3,755,500.00
60. Miscellaneous				
62. Audit Cost			\$5,000.00	\$1,015,000.00
69. Component Total:			\$5,000.00	\$1,015,000.00
70. National Management Costs				
71. Executing Agency Management Costs			\$50,000.00	\$10,150,000.00
79. Component Total:			\$50,000.00	\$10,150,000.00
Total Expenditures To-date:			\$99,900.00	\$20,279,700.00
Remaining Balance of Funds (A-B):			\$0.00	\$0.00

- Notes:
- (1) Amounts in U.S. dollars are converted using the average rate of exchange when funds were received by the Executing Agency
 - (2) Total Expenditures To-date (in local currency) should be the same as amount shown in Sub-Total of column (C) of the Financial Statement.

PROJECT CASH FLOW STATEMENT - ITTO

Project No. TMT - PD 006/11 Rev.3 (M)

Period ending on: 31 December 2013

Project Title: **STRENGTHENING MARKET INFORMATION SYSTEMS TO ENHANCE TRADE AND MARKET INTELLIGENCE IN GUYANA**

Component	Reference	Date	Amount	
			in US\$	Local Currency
A. Funds received from ITTO:				
1. First instalment		1/6/2012	\$100,000.00	\$20,300,000.00
2. Second Instalment		21/11/2013	\$100,000.00	\$20,300,000.00
3. Third Instalment		13/12/2013	\$74,000.00	\$15,022,000.00
Total Funds Received:			\$274,000.00	\$55,622,000.00
B. Expenditures by Executing Agency:				
10. Project Personnel				
13 National Consultants				
13.1 National Systems Specialist			\$45,000.00	\$9,135,000.00
13.2 Trade Specialist			\$30,000.00	\$6,090,000.00
14 International Consultant(s)				
14.1 International Marketing Consultant			\$55,000.00	\$11,165,000.00
19. Component Total:			\$130,000.00	\$26,390,000.00
30. Travel				
31. Daily Subsistence Allowance				
31.2 International Consultant			\$15,000.00	\$3,045,000.00
32. International Travel				
32.2 International Consultant(s)			\$9,000.00	\$1,827,000.00
33. Local Transport Costs				
33.2 International Consultant(s)			\$10,000.00	\$2,030,000.00
39. Component Total:			\$34,000.00	\$6,902,000.00
40. Capital Items				
44. Capital Equipment				
44.1 Computer Equipment			\$15,000.00	\$3,045,000.00
49. Component Total:			\$15,000.00	\$3,045,000.00
50. Consumable Items				
51. Raw materials			\$54,700.00	\$11,104,100.00
55 Office Supplies			\$39,800.00	\$8,079,400.00
59. Component Total:			\$94,500.00	\$19,183,500.00
Total Expenditures To-date:			\$273,500.00	\$55,520,500.00
Remaining Balance of Funds (A-B):			\$500.00	\$101,500.00

Notes: (1) Amounts in U.S. dollars are converted using the average rate of exchange when funds were received by the Executing Agency
(2) Total Expenditures To-date (in local currency) should be the same as amount shown in Sub-Total of column (C) of the Financial Statement.